Terri B. Natoli
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clearwire

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May 22,2007

Via Electronic Filing
Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

RE: Public Notice, *WTB Seeks Comment on CMRS Market Competition,* DA 07-1652
WT Docket 07-71

Dear Ms. Dortch:

Clearwire Corporation, on behalf of itself and its license-holding and service-providing subsidiaries (collectively "Clearwire"), hereby files this correspondence pursuant to the specified Reply Comment date set forth in the above-referenced Public Notice. soliciting information to evaluate the state of competition in the Commercial Mobile Radio Services ("CMRS") industry. Through this proceeding, the Federal Communications Commission ("Commission") "solicits data and information in order to evaluate the state of competition among providers of CMRS for its Twelfth Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services" (Twelfth CMRS Report). To that end, Clearwire hereby submits a copy of its recently filed Comments in GN Docket 07-45, *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996* ("Fifth § 706 Inquiry") and requests that the Commission incorporate these Comments into the record in this proceeding. The Commission has historically included information regarding wireless broadband data and voice providers in its prior CMRS Reports' and Clearwire believes that the Comments it filed in the Fifth Section 706 Inquiry on May 16, 2007 provide useful information that the Commission is seeking to obtain in the instant proceeding.

Clearwire declined to file initial comments by the specified May 7,2007 date as much of the information contained in its Fifth § 706 Inquiry Comments was not yet publicly available at that time and Clearwire sought to provide the Commission with the maximum amount of information possible. In addition, since May 16 when it submitted its Fifth § 706 Inquiry Comments, Clearwire announced the successful completion of the first phase of one of the country's first mobile WiMAX field trials, a significant milestone in the on-going efforts to commercially deploy true mobile broadband services in the U.S.[2] The field trial in the Portland, Oregon suburb

[1] ***See*** *e.g.,* Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis Of Competitive Market Conditions with Respect to Commercial Mobile Service, ***Eleventh Report,*** 21 FCC Rcd 10947(2006),.¶¶ 29-34; 118-121.

[2] ***See*** attached Clearwire May 21, 2007 Press Release, "Clearwire Successfully Completes First Phase Of Mobile Wimax Field Trial."

of Hillsboro, jointly conducted with Intel Corporation and Motorola, Inc., is using infrastructure equipment based on the IEEE 802.16e standard and relying on Clearwire's 2.5 GHz frequency band spectrum rights.

Respectfully Submitted,

/s/ Terri B. Natoli
Terri B. Natoli

Enclosure

cc (w/encl.): Best Copy and Printing

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	GN Docket No. 07-45
Inquiry Concerning the Deployment of Advanced Telecoininunications Capability to **All** Americans in a Reasonable And Timely Fashion, and Possible Steps To Accelerate Such Deployinent Pursuant to Section 706 of the Telecommunications Act of 1996	)	

COMMENTS

Clearwire Corporation, on behalf of itself and its lic holding and service-providin subsidiaries (collectively "Clearwire"), hereby files these Comments in the Federal Communications Commission's ("Commission") above-referenced proceeding examining, once again, U S . broadband deployment and availability. [1] Through its Fifth § 706 Inquiry, the Commission seeks information necessary for it "to analyze and assess whether infrastructure capable of supporting advanced services is being made available to all Americans."' **As** an international provider of next-generation advanced wireless broadband service today, the majority of which is provided in the United States, Clearwire is uniquely positioned at this time to provide useful comment in this proceeding.[3]

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[1] *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable And Timely Fashion, and Possible Steps To Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, Notice of Inquiry, GN Docket No. 07-45 (rel. April 16, 2007) ("Fifth § 706 Inquiiy").

[2] Fifth § 706 Inquiiy at 1.

[3] **At** the time the Commission launched its prior Section 706 Inquiry and released its Report based on the record compiled therein, *see Availability of Advanced Telecommunications Capability in the United States,* GN Docket No. 04-54, Fourth Report to Congress, 19 FCC Rcd 20540 (2004) ("Fourth § 706 Inquiiy"), Cleaiwire had just commenced provisioning wireless broadband service in its first U.S. market over its own wireless broadband network and, thus, did not participate.

I. INTRODUCTION

Clearwire constructs and operates next generation portable wireless broadband networks and services that provide consumers an always-on broadband connection anytime and anywhere within the Clearwire coverage area. Clearwire's next-generation, non-line-of-sight wireless broadband solution eoiineets customers to the Iiiternet using Commission-licensed spectrum in the 2.5 GHz frequency band via radio transmissions from a Clearwire base station to a small, wireless modern, which easily coiinects a user's computer to the Internet. Clearwire's wireless broadband service presently provides transmission speeds of up to 1.5 mbps downliiik and 256 kbps uplink.

With its simple plug-and-play installation, Clearwire provides fast, simple, reliable, and affordable wireless broadband service to those US. (and international) markets it has launched to date.[4] Clearwire is deploying Motorola manufactured WiMAX-ready broadband access networks through Motorola's subsidiary, NextNet Wireless. Customers use fixed and portable subscriber unit modems operating on Clearwire's licensed and leased 2.5 GHz spectrum in the Educational Broadband Service ("EBS") and Broadband Radio Service ("BRS") frequency bands. Clearwire's U.S. broadband deployment success to date has been largely attributable to the revised rules and policies applicable to operations in the 2.5 GHz band, adopted by the Commission initially in inid-2004' and again in 2006.[6] These flexible rules and policies facilitate and eiicourage Clearwire's and others' use of the 2.5 GHz band for advanced wireless

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[4] Clearwire also offers portable Voice over Internet Protocol ("VoIP") service over its broadband networks in approximately 26 of its US markets to date and expects to continue rolling out this service in conjunction with its Internet access and other premium services in additional markets.

'See Reporl and Order ("2004 Report and Order") and Further Notice of Proposed Rulemaking ("2004 Further Notice"), WT Docket No. 03-66, 19 FCC Rcd 14165 (2004).

[6] *See Order on Rcconsiderafion and Fifth Memorandum Opinion and Order and Third Memorandum Opinion and Order and Second Report and Order:* WT Docket No. 03-66, 21 FCC Rcd 5606 (rel. April 27, 2006) *("2006 2.5 GHz Order.").*

broadband services. As Clearwire has previously stated, the *2004 Report and Order* and the rules and policies adopted therein were "an excellent first step to implement legal and technical rules that will promote the availability of wireless broadband services across the country, promote the viability of such services using EBS and BRS spectrum, and foster expeditious deployment of wireless broadband systems."[7] Indeed, these rules make it possible for the *2.5* GHz spectrum band to finally be used to its fullest potential in providing wireless broadband services that benefit not only consumers of those services, but educational institutions, including secondary schools and institutions of higher learning, among other non-profit institutions, that are able to obtain advanced wireless broadband services through their spectrum lease relationships with Clearwire and other commercial *2.5* GHz operators.[8]

II. CLEARWIRE NETWORK AND SERVICE DEPLOYMENT

Clearwire's *2.5* GHz wireless broadband network currently blankets **38** U.S. markets, covering approximately 9.1 million people in more than 400 municipalities in Alaska, California, Florida, Hawaii, Idaho, Minnesota, Nevada, North Carolina, Oregon, Texas, Washington and Wisconsin.[9] Clearwire is growing rapidly in terms of the number of markets served, number of people covered by its network, and number of total subscribers. It is continuing its network deployment and service roll-out plans in additional markets throughout the United States where it currently holds *2.5* GHz spectrum rights in an effort to facilitate, along with other *2.5* GHz commercial operators, the development of a nationwide wireless third broadband pipe to the

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[7] *See* Clearwire Petition for Partial Reconsideration, ***2004Repopol.tand Order,*** WT Docket 03-66, filed Jan. 10,2005 at 2.

[8] Clearwire notes that there are currently pending Petitions for Reconsideration relating to minor limited matters associated with the 2006 *2.5 GHz Order.* in order to finally and fully provide regulatory certainty and stability to this frequency band which will only serve to fiirther facilitate broadband deployment, Clearwire urges the Commission to resolve these limited issues as promptly as possible.

[9] This represents an increase in availability of service even since the end of the first quarter 2007 when Clearwire offered its service for sale to 8.9 million people, or POPs, residing in one of the 375 municipalities in Clearwire's 36 U.S. markets at that time.

home at 2.5 GHz.[10] To this end, Clearwire has been acquiring additional spectrum in markets it believes are attractive for its services. Assuming the closing of all pending spectrum acquisition transactions, as of the end of the first quarter 2007, Clearwire's spectrum portfolio includes approxiinately 14.0 billion MHz POPs of spectrum in the U.S., covering an estimated 223 million people.

Clearwire's wireless broadband network currently relies on network infrastructure equipment that is based on proprietary non-line-of-sight ("NLOS"), Orthogonal Frequency Division Multiplexing ("OFDM") technologies. Clearwire is also on target to offer its first pre-WiMAX laptop card during the second half of 2007, which will substantially enhance the portability and mobility of Clearwire's current wireless broadband service. Moreover, Clearwire has committed to deploy networks based on the IEEE mobile Worldwide Interoperability of Microwave Access 802.16e-2005, or mobile WiMAX, standard once mobile WiMAX equipment is commercially available and meets our requirements. Mobile WiMAX is expected to service a range of subscribers, from individuals, households, and small businesses to market segments that depend on mobile communications, such as public safety personnel, field salespeople, traveling professionals, contractors, real estate agents and others.

Clearwire's existing Expedience network infrastructure equipment provides a level of service Clearwire believes is comparable to WiMAX capabilities, and once mobile WiMAX technology becomes commercially available and meets certain standards, Clearwire expects to deploy network components that will support fixed, portable and mobile service offerings using a single network architecture. In addition, as mobile WiMAX is a standards-based technology, Clearwire anticipates that inanufacturers will eventually offer a number of handheld

[10] By the end of 2007, Clearwire expects to cover a total (U.S. and international combined) of approximately 16-18 million people with up to 375,000-400,000 consolidated subscribers and approximately 2,600-2,800 operational towers sites.

cominunications and consumer electronic devices that will be enabled to communicate using Clearwire's mobile WiMAX network, including notebook computers, ultramobile personal computers, or PCs, personal data assistants, or PDAs, gaming consoles, MP3 players, and other handheld devices.

Clearwire engineers its wireless networks to optimize both the broadband service it offers and the number of subscribers to whom it can offer service in a market. Consequently, it currently will not launch service in a market using our current technology unless it has spectrum rights for a minimum of six 2.5 GI-Iz channels containing at least 5 MHz of spectrum each. As a result, including pending spectrum transactions, of the **223** million people covered by Clearwire's spectrum rights as of March 31, 2007, it could connnercially launch its services over spectrum covering an estimated 117 million people in the United States. Clearwire expects, however, that if the spectral efficiency of the technologies it deploys continues to evolve, as a result, it may decide to deploy wireless broadband services in some markets with less spectrum.

Clearwire has forged strategic alliances with a variety of entities that are facilitating and enhancing its efforts to launch markets and deploy its service. It has relationships with Intel Corporation and Motorola to develop and eventually deploy the mobile WiMAX wireless broadband technology Clearwire has committed to deploy as soon as commercially available. It has an alliance with Bell Canada that provided the technical and business support needed to introduce its facilities-based VoIP service. Clearwire has also entered into distribution agreements with Best Buy Co., Inc. and Circuit City Stores, Inc., two of the leading specialty electronic retailers in the United States." Most recently, Clearwire announced an agreement with America Online ("AOL") to expand the scope of an existing distribution relationship in

[11] **As** of December 31, 2006 Clearwire services were offered in **51** Best Buy and 39 Circuit City stores in **its** coverage areas.

which AOL has the right to bundle and sell Clearwire's wireless broadband services in all of Clearwire's current and future U.S. markets."

Finally, and significantly, pursuant to the Commission's Secondary Markets rules, Clearwire has entered into numerous long-term *de facto* leasing arrangements with EBS and BRS licensees, giving it spectrum rights to excess 2.5 GHz capacity throughout the country for use in building its advanced wireless broadband networks and providing its broadband services. To the extent possible, Clearwire intends to continue entering into such Secondary Market arrangements, as well as working cooperatively and effectively with other 2.5 GHz wireless broadband operators and licensees to provide, as rapidly as possible, a third nationwide broadband platform to vigorously compete with cable modem and DSL providers. In 2006 alone, Clearwire secured more than one billion dollars in funding from leading hardware manufacturers Intel, Motorola and Bell Canada to finance its wireless network infrastructure investment, Moreover, on December 19, 2006 Clearwire filed its initial Form S-I registration statement with the Securities and Exchange Commission and on March 13,2007, Clearwire completed its initial public offering of Class A common stock, raising approximately $557 million in net proceeds.

III. CLEARWIRE SUBSCRIBER ADOPTION AND GROWTH

The wireless broadband market has evolved with the development of Clearwire's next-generation portable broadband solution. Clearwire's subscriber growth rates reflect rapid customer acceptance of its services. Clearwire ended the first quarter of 2007 with approximately 258,000 subscribers, representing a 161% increase over the first quarter of 2006. 10 out of Clearwire's initial 25 U.S. markets (launched since August 2004) have achieved the

[12] Previously, the AOL and Clearwire joint distribution agreement covered only four Clearwire markets - Jacksonville and Daytona Beach, Fla.; and Stockton and Modesto, Calif.

milestone of Market EBITDA positive status, up from 4 markets as of year-end *2006*. Clearwire estimates that more than 1 out of 10 households in its respective coverage area in its initial *25* markets now have Clearwire service. As noted above, Clearwire is currently providing service in **38** markets, both urban and rural, and continues to roll out its services in markets where it has acquired an adequate amount of spectrum to do so.

Clearwire has found that there is a mass market appeal for its differentiated advanced wireless broadband services and continues to develop such services to meet that market. Clearwire's services are demanded due to the simplicity, portability, speed, reliability and affordability of its offerings. The demand for its services are evidenced by where the majority of its subscribers come from, *i.e.,* **33%** of Clearwire's customer base were former cable modem subscribers, followed by *26%* former DSL services, and 27% from dial-up services.

IV. CLEARWIRE NON-TRADITIONAL SERVICES

As the Commission is aware, Hurricane Katrina destroyed many traditional forms of communication including cell phone service, wireline telephone service and Internet services. Pursuant to Special Temporary Authority issued by the Commission's Wireless Telecommunications Bureau, Clearwire rapidly dispatched a team to build a temporary wireless broadband network to help provide restoral communications, including Internet and phone service, as well as equipment, to area FEMA and Red Cross emergency offices in Biloxi.

V. CONCLUSION

Clearwire is pleased to provide the information se forth above regarding its efforts to develop and deploy advanced wireless broadband networks, services and capabilities to

consumers in the United States, and hopes this information proves useful to the Commission in developing its Fifth Section 706 Report.

Respectfully submitted,

CLEARWIRE CORPORATION

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/s/ Nadja S. Sodos-Wallace
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May 16,2007

News Releases

Clearwire Successfully Completes First Phase Of Mobile WiMAX Field Trial

Field Trial Near Portland, Oregon Meets 802.16e Performance Expectations

KIRKLAND, Wash.--(BUSINESS WIRE)--May 21, 2007--Clearwire Corporation (NASDAQ:CLWR) announced today the successful completion of the first phase of one of the country's first mobile WiMAX field trials. The field trial in the Portland, Ore. suburb of Hillsboro jointly conducted with Intel Corporation and Motorola, Inc. is using infrastructure equipment based on the IEEE 802.16e standard and relying on Clearwire's spectrum in the 2.5GHz frequency band. The first phase of the field trial focused on coverage, capacity and speed associated with the air interface.

"The successful completion of the first phase of our mobile WiMAX trial is a significant milestone in our efforts to commercially deploy true mobile broadband services in the U.S.," said Scott Richardson, Clearwire chief strategy officer and a WiMAX innovator instrumental in the creation and development of the WiMAX standard. "By demonstrating initial performance consistent with the WiMAX industry standards, we are making great progress in our ability to evolve our networks to take advantage of the benefits of a standards-based technology for future Clearwire subscribers."

"The expected ability of Clearwire to deliver always-on, high-speed broadband at a good value using self-provisioning wireless devices over a WiMAX network should enable mass market adoption," said Berge Ayvazian, chief strategy officer of Yankee Group. "Based on open standards, this advanced WiMAX technology solution will fill the substantial need for very fast, truly personal broadband and mobile Internet access."

WiMAX is a standards-based wireless technology for providing high-speed, last mile broadband connectivity to residents and businesses and for mobile wireless networks. The first phase of the trial achieved the coverage, capacity and speed guidelines as set by the WiMAX Forum, an industry-led. not-for-profit organization formed to certify and promote the compatibility and interoperability of broadband wireless products based on the IEEE 802.16e standard.

Clearwire. Intel and Motorola are working on both the standards process and the development of network infrastructure that will enable the delivery of fast, reliable and mobile broadband services. The first phase of the field trial covered 15 square miles in Hillsboro using a mobile WMAX laptop card, the first to be based on WiMAX. Individuals testing the card received true broadband connections with multi-megabit speeds. The next phase of the mobile WiMAX field trial will expand to cover 145 square miles and a greater number of users and devices on the network.

"With the completion of the first phase of our field trial we are on track to deliver the first integrated mobile WiMAX solution with next-generation Intel(R) Centrino(R) processor technology in *2008,"* added Sriram Viswanathan, vice president, Intel Capital and general manager, WiMAX Program Office. "We look forward to the next phase of our field trial that will include more people, wider coverage and greater mobility to ultimately help deliver the true promise of WiMAX."

"The early results of this field trial validate that the design features and functionality of our mobile WMAX infrastructure solutions can deliver the performance our customers expect," said Fred Wright, senior vice president, Wireless Broadband, Motorola Home and Networks Mobility. "This milestone is a great step toward the commercial readiness of our collaborative effort to bring a truly mobile broadband service to market."

About Clearwire

Clearwire, founded in October 2003 by Craig O. McCaw, is a provider of reliable, wireless high-speed Internet service. Headquartered in Kirkland, Wash., the company launched its first market in August 2004 and now offers service in 38 U.S. markets, covering approximately 8.9 million people in more than 400 municipalities in Alaska, California, Florida, Hawaii, Idaho, Minnesota, Nevada, North Carolina, Oregon, Texas, Washington and Wisconsin in the United States, as well as 1.2 million people in Ireland and Belgium. In addition, wireless high-speed Internet services are offered in Mexico and Denmark by Clearwire's partners, MVS Net and Danske Telecom. For more information, visit www.clearwire.com.

Forward-Looking Statements

This release contains forward-looking statements which are based on current expectations and beliefs, as well as on a number of assumptions concerning future events made with information that is currently available. Forward-looking statements may include, without limitation, the Company's expectations regarding: future financial and operating performance and financial condition: plans, objectives and strategies; product development; industry conditions; the strength of its balance sheet; and liquidity and financing needs. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside of Clearwire's control, which could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please refer to Clearwire's filings with the Securities and Exchange Commission, including the information under the headings "Risk Factors" and "Forward-Looking Statements" in our Form 10Q filed on May 15, 2007. Clearwire assumes no obligation to update or supplement such forward-looking statements.

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